

Emma Reynolds MP
Economic Secretary to the Treasury
HM Treasury

8 July 2025

Dear Minister

The success of the UK's financial services sector is driven by high-skilled talent. To drive growth and competitiveness, foster innovation and boost productivity, it is crucial that the sector has access to the best talent with the right skills to see it continue to be a global leader. This is a challenge that both the sector and government are seeking to address.

Since 2020, the Financial Services Skills Commission (FSSC) has been working with employers and other stakeholders to close skills gaps and push for skills to become a board-critical issue. Major progress has been made, with FSSC members embedding skills in business strategy and increasing investment in training in priority areas, such as software development, data analysis, cyber and relationship management, leading to the closing of vital skills gaps.

However, without urgent action to tackle the sector's skills deficit, there is a real threat to realising growth – not least given the significant contribution it makes to the economy and major enabling role in driving growth in every region and nation of the country. The impact of AI and other emerging technologies is one critical area that will continue to disrupt and change skills needs. To meet this challenge, there must be more coordinated, concerted and rapid action and collaboration between government and industry.

We are writing to propose the creation of a compact to accelerate progress towards a financial services sector that has the skills it needs to thrive into the future. The compact would set out specific actions for signatories to address skills gaps on a voluntary basis, with a regular review of progress made. It must be targeted, meaningful and ambitious. Members of the FSSC note that the long-term support of the government will be a key enabler to achieving the intent of the compact.

To develop the compact and secure signatories, we propose setting up a steering group, chaired by the Chair of the FSSC, Mark Hoban. The steering group would include representatives from across our membership, supported by the City of London Corporation and TheCityUK. We would also like to invite HM Treasury to attend group meetings and provide the vital link to the government's work on skills, and we would be very pleased to welcome you personally to the launch meeting to give your perspective and backing for this work.

We anticipate that the work of the steering group would be completed within twelve months of its formation and be followed by the launch of the compact with confirmed signatories.

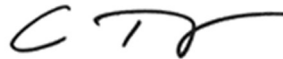
Our goal is to create a compact that addresses the sector's skills challenge and secures its ability to drive future growth.

We welcome the opportunity to discuss this proposal with you in more detail and to work together to build the skills needed to maintain the UK's status as a world-class financial services centre and powerhouse of the economy.

Yours sincerely



Mark Hoban
Chair
Financial Services Skills Commission

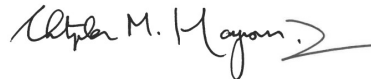


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